

IRS News Release

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IRS Settlement Announcement

IR-2008-104, Sept. 11, 2008

WASHINGTON — The Internal Revenue Service today announced that it has reached a settlement with Arnold & Porter LLP, which has paid a civil tax shelter promoter penalty. The settlement relates to the Firm's failure in 2000, 2001 and 2002 to comply with tax shelter registration requirements and its participation in the organization of the following listed transactions that were sold to high-net worth individuals and corporations: Partnership Option Portfolio Securities (POPS), Personal Investment Corporation (PICO), and Family Office Customized Partnerships (FOCUS). The Firm cooperated with the Internal Revenue Service's examination. The Firm has put into place a comprehensive compliance program designed to assure ongoing adherence to all tax shelter disclosure and list maintenance requirements of the Internal Revenue Code, and related laws.

Arnold & Porter has consented to issuance of this News Release in accordance with Section 6103 of the Internal Revenue Code.